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C O N F I D E N T I A L KINGSTON 000750

SIPDIS

STATE FOR INL/LP KBROWN TREASURY E. NEPHEW

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TAGS: [ETRD](#) [EFIN](#) [TRSY](#) [SNAR](#) [JM](#)

SUBJECT: NEW COMMISSIONER OF CUSTOMS PERFECTLY COMFORTABLE
WITH UPSETTING THE STATUS QUO AND REFORMING CUSTOMS FROM
TOP TO BOTTOM

REF: KINGSTON 403

Classified By: DCM James T. Heg for reasons 1.4 (b) & (d)

¶11. (SBU) Summary: In his first three months on the job, the new Commissioner of Jamaica Customs, Danville Walker, has shown that he has no trouble upsetting the status quo. Performance highlights from his first one hundred days include: a 25 percent increase in customs' revenue collected, the reorganization of the valuation unit, the construction of a security wall - overnight, and the institution of a no-mitigation policy for Customs' fines. Walker's actions have caused an uproar within the Ministry of Finance bureaucracy and among some segments of the business community. Walker's response to the controversy. He couldn't care less. End Summary.

Background on appointment

¶12. (C) Prime Minister Golding and Finance Minister Audley Shaw brought Danville Walker, former head of Jamaica's Electoral Division, to run Customs after Walker's predecessor, Hector Jones "retired." Jones' retirement, after 39 years of Customs' service couldn't have come sooner. Jones was widely known to be corrupt. This was not the first time Jones was under fire. His former boss, Vinette Keene, Director of Tax Administration for the Ministry of Finance tried to fire Jones in late 2006. She was only able to put him on "Administrative Leave," and had to return Jones to the Commissioner's chair when the political pressure from the former Finance Minister, Omar Davies, and others to reinstate Jones became too much to bear. In May 2008, the Financial Investigative Division raided the Customs' Valuation Unit uncovering a systemic undervaluation of consumer goods that was costing the Government of Jamaica millions (GOJ). After the raid, the hand-writing was on the wall, and thankfully, Jones resigned. Unfortunately, according to Deputy Commissioner of Police Mark Shields, to this date, there is no criminal investigation of Jones.

Background on Walker

¶13. (C) Danville Walker, a dual national (Jamaican/United States) comes to Customs from a very successful tenure as Director of Elections. During his ten years at the Electoral Commission (EOJ) Walker managed to turn what was a disorganized and politicized organization into a efficient and professional outfit. Prior to working for the EOJ, Walker spent time as a business consultant turning around failing enterprises and assisting new businesses to develop. During a recent interview with the NAS Director

and ECONOFF it was clear that Walker has in equal measure a passion for unlocking the hidden potential of an organization and an almost child-like delight in upsetting the status quo to create change.

First One Hundred Days -- an absolute success

14. (SBU) Walker became Commissioner of Customs on May 30. His first 100 days in office have been a whirl of activity. Early successes include: 1) the construction over the weekend of a retaining wall to improve security within the valuation unit by preventing custom's brokers from entering what should have been a restricted area; 2) the construction within a few days of a new customer service area to assist business by insuring that their customs' paperwork is filled out properly, thereby not only reducing delays for "failed" documents, but also cutting out opportunities for Customs' officers to solicit bribes to overlook faulty paperwork; 3) the institution of a policy of no mitigation for Customs' fines; the reduction of manual overrides to safeguard against the rampant corruption in the valuation unit 4) the increase in customs' revenue by 25 % or USD \$5.6 million per month; and, 4) the removal of staff from the valuation unit, who were implicated in corrupt activities from the FID raid (Ref A). (Note: 2007 - 2008 Fiscal year Customs collected U.S. \$270 Million in revenue, if the 25% increase continues it will mean an additional U.S. \$67.5 million in revenue for the GOJ.)

15. (SBU) The construction of the retaining wall and new Customer Service Area are examples of Walker's "just get the job done" work ethic. These two acts as well as the

clearing out of unused space to expand work areas for his staff have infuriated the bureaucracy of the Ministry of Finance. Walker has already faced down two sets of inspectors from the Ministry who came to demand with what money he built the wall and constructed the new customer service area, and questioned his "destruction" of public records, when he threw out ancient and dusty files from Accounting Sections, that had been left behind years before when it moved to another part of the building.

16. (C) Walker laughed about the "fussy bureaucrats" but admitted that until Customs is made an Executive Agency with its own budget, he must rely upon the ponderous Ministry of Finance bureaucracy. He stated that the draft legislation to convert Customs to Executive Agency status is complete. Apparently the previous administration wanted to do so, but the move was opposed by the former Finance Minister. The current Finance Minister, Audley Shaw, and Prime Minister Bruce Golding are in favor of Executive Agency designation for Customs. Walker estimates that in 6-9 months the change will be official. In addition to providing Customs' with its own budget, Executive Agency status would allow Walker the opportunity to make all of Customs' staff redundant and only hire back those members of staff who are worthy. Walker stated that he is reluctant to judge his staff too harshly. In his view they are like abused children. Walker firmly believes that there are good people within the system and at every opportunity he reminds his staff that they will get support from his office.

17. (C) Because of the opposition to Walker that exists among the entrenched bureaucrats and business leaders who were content with their previous arrangements for the importation of goods, Walker is conscious that he has to continue to bring in the revenue to ensure political backing for what will prove at first to be unpopular changes such as his no mitigation policy for example. Walker told us that, unlike his predecessor, he will not entertain the mitigation of any fines. Walker fined his nephew the equivalent of USD 7,000 for the improper importation of a motor vehicle. Walker shared with the NAS Director and ECONOFF that he uses his nephew's fine as an

anecdote every time a businessman comes to request the reduction of a fine levied for improper manifesting of goods. Once he tells that story, the conversation usually comes to a close and the fine is paid.

¶ 8. (C) Now that he has a better handle on its staffing and operations, it is Walker's intention to reorganize Customs' into five Divisions: Border Protection, Contraband Enforcement, Intel, Revenue/Accounting, Valuation/Audit and Compliance. Walker is disgusted that the current Audit Division takes years to complete simple audits. He wants to bring in new more competent accounting staff who are experienced in auditing, and look at software and other computer based monitoring programs that will help focus Audit staff on problem areas.

¶ 9. (SBU) NAS Comment: Walker is a competent manager, who has experience in turning around troubled organizations. For all his talents, he does not understand Customs' systems. Based on earlier requests from the Minister of Finance and Prime Minister Golding to find a way to assist Walker, during the August 11 meeting the NAS Director proposed, and Walker accepted, NAS funding for a Customs' advisor, term 3-12 months. INL/LP has already given its concurrence for the use of 2005 Border Port Security Pipeline Funding for this project. We also already have preliminary agreement with CBP to provision the Advisor from its list of retired officers. NAS will work with Walker and the ICE Attaché at post to identify the key skills needed and then we will finalize selection with CBP.

JOHNSON